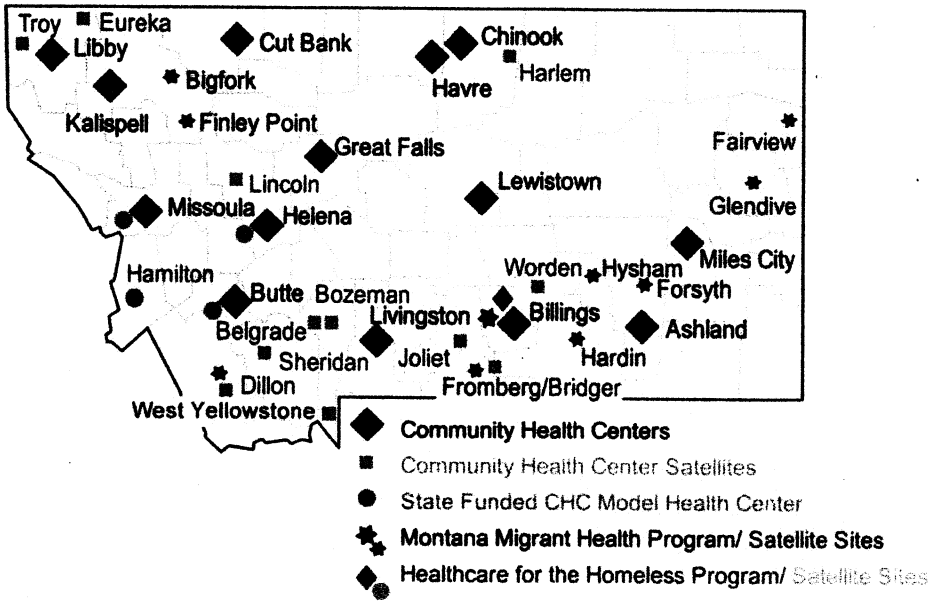
MONTANA'S COMMUNITY HEALTH CENTERS

What are Community Health Centers?

Community Health Centers (CHCs) are non-profit or public health care providers with a **mission to provide comprehensive primary care to low income working families**. Montana's 15 CHCs provide a health care home for nearly **100,000 Montanans in urban, rural, and agricultural communities - your friends and neighbors!**

Noted for their high quality, affordable, primary care and preventive services, **Montana's health centers offer medical care, dental care, mental health care, case management, and numerous support services.**

Montana Community Health Centers 2011



Who did Montana's Community Health Centers Serve in 2010?

- Over **85.9% of patients live on very limited resources** (under 200% of the federal poverty level which was $22,050 for a family of four in 2010)
- **50% uninsured**, 17% receiving Medicaid, and 10% Medicare
- Of the total 353,642 visits, 56,482 visits were dental and 20,068 visits were mental health

How do CHC Boards Make a Difference?

- Health Centers are governed by local boards that **must have health center patients as a majority of their members** which assures responsiveness to patient needs.

CHC Model of Primary and Preventive Care:

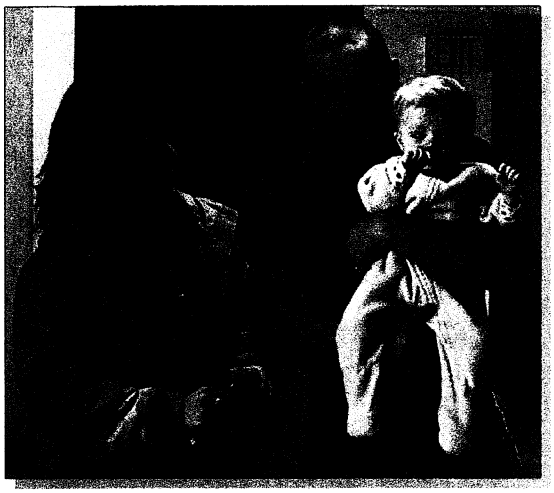
- **Medical Home** - don't just treat illness
- **Family doctor/dentist care** - team approach - the patient is the center of all activity
- **Preventive education/health screening** throughout all stages of life
- **Early detection** of problems
- **Effective treatment or management of chronic conditions**
- **Manage and coordinate all care** (referral, diagnostics, specialty/inpatient)

406-442-2750 www.mtpca.org

CHCs improve the quality of life for patients and communities in the following ways:

Improve access to primary and preventive care. CHCs provide preventive services to people who would otherwise not have access. Low income and uninsured health center patients are **much more likely to have a usual source of care, are much less likely to have unmet medical needs, and are much less likely to visit the emergency room or have a hospital stay than those without a health center.**

Provide cost-effective care. Total patient care **costs are 24-50% lower** than those served in other settings, producing up to **$24 billion in annual health system savings by lowering utilization of costly specialty care, emergency departments, and hospitals.**



Provide high quality care. Quality of care provided at CHCs is **equal to or greater than the quality of care provided else where.** More over, 99% of surveyed patients reported that they were satisfied with the care they receive at heath centers.

Effective Management of Chronic Illness. The Institute of Medicine and the Government Accountability Office have recognized health centers as **models for screening, diagnosing, and managing chronic conditions** such as diabetes, cardio-vascular disease, asthma, depression, cancer, and HIV. Health Centers' efforts have led to **improved health outcomes** for their patients.

Create jobs and stimulate economic growth. Last year, CHCs **employed 598 Montanans (FTEs)**. CHCs have brought over $182,612,843 in federal grants to Montana since 1985.

CHCs Improve Care and Lower Costs for Medicaid!

Montana Medicaid's Health Improvement Program (HIP)

(Community Health Clinics)

In an effort to assist 1,200 high risk/high cost Medicaid patients to be as healthy as possible and, therefore, reduce their cost of care, 13 Montana Community Health Centers are working with the Department of Public Health and Human Services Medicaid Case Management Division. This project, the Medicaid Health Improvement Program (HIP), utilizes a cadre of nurses and other health professionals located across the state to provide case and care management services to help **keep Medicaid patients well and reduce the need for high cost hospitalization.**

Care Management

In the first five months of operation, DPHHS reported a **cost savings of $304 per patient per month or $4 million.** The nurses teach self-care skills, review medication utilization, manage transitions, remind patients of upcoming appointments, and arrange transportation when necessary.

4m - 1st 5 mnths $304 p/p p/m

One of three national models being studied as a best practice by the Commonwealth Fund and the National Academy for State Health Policy, this innovative program puts expert care managers in charge of **navigating our complicated system of care for those who need it most.**

The Federal Office of Management and Budget ranked the CHC program as the #1 Health and Human Services program and one of the "Top 10 federal programs for effectiveness."

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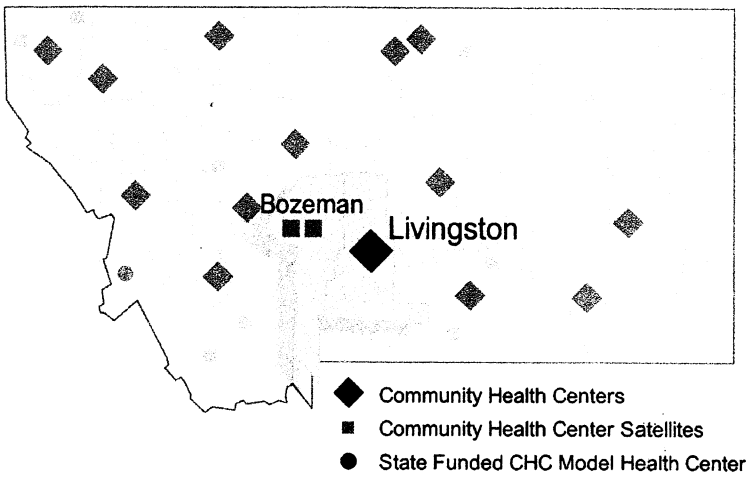
MONTANA COMMUNITY HEALTH CENTER SPOTLIGHT

Community Health Partners

Livingston, Bozeman, Belgrade, West Yellowstone



Community Health Partners

offers a full range of integrated health services including primary care medical, dental, and mental health services with the patient at the center.

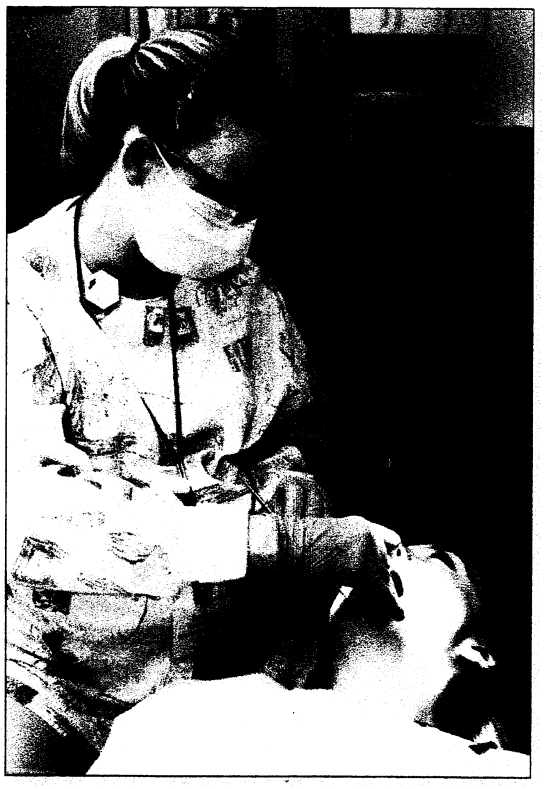
Care is available for all people regardless of insurance status or their ability to pay for healthcare services. The health center's sliding fee scale offers discounts according to family income. Payment is accepted from Medicare, Medicaid, CHIP, and private health insurance plans.

In 2009, Community Health Partners served 9,441 Montanans:

64.2% Uninsured
9.7% Medicaid
4.7% Medicare

Provided 34,749 visits of which, 5,725 were dental and 2,827 were mental health.

Community Health Partners provided jobs for 76.23 FTEs and brought in $2,819,992 in Federal funding to the communities they serve.



Community Health Partners, 126 S Main, Livingston , MT
406-222-1111. www.chphealth.org,

Perspectives on Medicaid

Bob Olsen, Vice President
MHA, An Association of Montana
Health Care Providers

MHA

Medicaid

- Medicaid is not an entitlement
  - Coverage based upon income **and** being aged, blind, disabled, pregnant or have dependents.
- Medicaid does provide a broad range of services, including many not typically covered under standard health insurance.
  - Nursing facility care, full vision, dental and prescription drugs, for example.
- Medicaid rules:
  - Limit the ability to require meaningful deductibles, copayments, coinsurance.
  - Limit the ability to penalize the beneficiary for non-compliance with care plans.

MHA

Services
- For some types of Medicaid

?

Common Problems

- Overcoming the problem of poverty
- Managing chronic health conditions for aged, blind and disabled.
- Mental illness and addiction are mostly episodic, people enter the system very ill.
- Non-elderly family may not have ongoing health needs, sporadic eligibility
  - Example: eligible due to pregnancy
- Rural, dispersed population.

MHA

- only go to the doc. when sick -

Managed Care in Montana

- Montana has no true HMOs in the commercial insurance market.
- Rural states rarely offer traits that allows managed care to flourish:
  - Many providers willing to compete for contracts
  - Large enrollment over which to spread risk
  - Readily available primary care for access/specialty care for referrals.

MHA

Barriers to Medicaid Managed Care

- Distinct Medicaid Populations
  - Aged, blind and disabled
  - Mental Illness and Addiction
  - Non-elderly family
- Eligibility Constraints
  - Eligibility is time limited, must be renewed
  - Must continuously meet eligibility criteria
  - Medicare and Medicaid "dual eligibility"
- Provider Access
  - Medicaid reputation for "low, slow and no payment"
  - Medicaid population has no "skin in the game"

MHA

Attempts at Medicaid Managed Care

- Mental Health Services Plan
  - Fully capitated managed care for mentally ill patients.
- Health Now Medicaid
- Pace Program (long term care)
  - Shared risk for managed care of elderly, disabled enrollees.

MHA

Alternative Forms for Managed Care

- Preauthorization, case management
- Medical review policies/best practices
- Peer review
- Preferred Provider Organizations
  - Steer patients to contract providers
  - Lower contract costs, some agreed medical protocols.
- Medicaid utilizes most of these strategies.

MHA

ACA Expansion

- Non-elderly, low income population
  - Does not require the "deprivation" of dependents.
  - Likely to include working families, and the 'young and invincible' adults.
- Could double the number of Medicaid population in Montana
  - Rates fully funded by Federal Government, for a while.
  - May not have the needed provider community for access.
- May impact local county eligibility workers, others due to volume of applicants.
- Interaction with FCHIP, IHS and Exchanges.

MHA

The Efficiency in Government Question

- Doubling the size of Medicaid won't double the administrative needs.
- Technology: improved economy for enrollment and policy development.
- Payment policies that align incentives; break up silo mentality.
- Push for new state flexibility in federal reforms emerging from budget debate.
- Focus on prevention and wellness.

MHA

Presentation to
The Efficiency in Government Interim Study Committee
Presented by John Goodnow, CEO
Benefis Health System
August 23, 2011

Benefis HEALTH SYSTEM

Benefis at a Glance

- Community-owned and-governed.
- Serves a 15-county area with more than a quarter of a million people and a land mass bigger than Connecticut, Massachusetts, New Hampshire and Vermont combined.
- Largest non-governmental employer in Cascade County with more than 2,600 employees.
- 500 beds on two campuses in Great Falls. More than 200 physicians are on the Benefis Medical Staff, including physicians employed by the Benefis Medical Group.

Benefis HEALTH SYSTEM

High Quality, Low Cost

- Benefis was recognized as one of the top 5% of all hospitals in the entire country for quality in 2011, earning the distinction for the sixth time in the last seven years.
- Benefis provided more than $9.5 million in charity care in 2010 to Montanans who couldn't afford to pay their medical bills. Benefis' charity care has increased an average of 25% a year over the past four years.
- Benefis is low cost. According to the latest data from the Montana Hospital Association, Benefis is 7% lower on inpatient charges and 30% lower on outpatient charges than our Montana peers.
- Nearly 70 percent of patients at Benefis are government-insured:
  Medicare: 43.9%
  Medicaid: 16.3%
  Other Governmental: 8.8%

Benefis HEALTH SYSTEM

Montana's Largest Medicaid Providers

Hospital	Inpatient Days	Medicaid Days	Medicaid Percentage
Benefis Health System	67,447	10,474	20.80%
Billings Clinic	63,414	9,196	19.71%
St. Vincent Hospital	53,539	7,897	18.55%
Community Medical Center	28,704	7,362	30.55%
Northwest Healthcare	33,144	4,425	20.60%
St. Patrick Hospital	39,722	3,291	13.73%
Shodair Hospital	4,815	2,898	62.64%
Northern Montana Hospital	9,301	2,606	33.96%
St. Peter's Hospital	19,865	2,415	18.57%
St. James Healthcare	16,242	2,297	20.91%

"Benefis Health System is Montana's largest single Medicaid provider."

Benefis Health System fully appreciates the State's need to control Medicaid expenditures and is anxious to partner with the State, in a collaborative fashion, to achieve that goal.

What Benefis Health System would propose, as a pilot between the State (DPHHS) and BHS, would include the following elements:

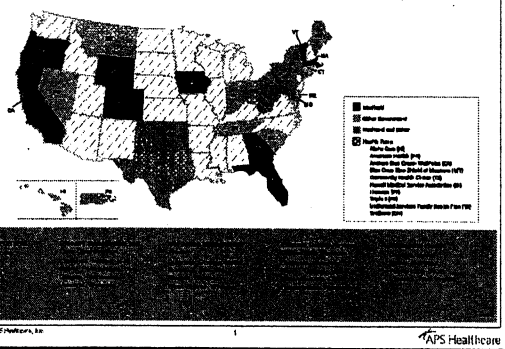
- DPHHS would assign Medicare recipients in Great Falls or Cascade County to BHS as their "Medical Home" and care provider.
- BHS would conduct a health risk assessment for the Medicaid recipients who were assigned to us. Based on the results of the health risk assessment, efforts to address the risks, increase preventive services, and improve health status would be undertaken by BHS as the recipients' Medical Home/Care Provider. To make this successful, we'd likely need to build in incentives for the recipients.
- BHS would develop a medical home model of a team of providers who would make care decisions for the recipients, and who would ensure that unnecessary tests or services are not provided, that tests are not duplicated, and that care is provided in the most cost-effective manner.

- BHS, as a partner in the pilot with DPHHS, would be willing to fund a portion of the cost and we'd appreciate sharing in the savings, which we are confident would result.
- BHS would view this as a hand-in-hand partnership versus an adversarial relationship.
- Assuming we are able to develop a pilot, BHS would likely contract with APS – a national level player with significant experience in the above. BHS has already had preliminary conversations with APS. The BHS contract with APS would be at BHS' expense to assist us in the medical home model and care management.

Benefis HEALTH SYSTEM Live well.

APS Expertise on a National Landscape

Over 30 Medicaid Programs | Government Programs in 25 States and Puerto Rico | 10 Health Plans



APS Healthcare

Benefis Health System would propose working with the Efficiency in Government Interim Study Committee and staff on developing specifics of a collaborative pilot, including a timeline.

Benefis HEALTH SYSTEM

And Benefis is no stranger to partnering with DPHHS

Benefis Spectrum Medical, Inc. Partnership Projects with the Department of Public Health and Human Services

1998: Awarded the contract to provide case management services under Montana Big Sky Home and Community-Based Waiver Program in a five-county area. (Senior and Long Term Care Division)

2001: Because of the quality of the services provided in our five-county area, the Human Resource Development Council in Bozeman and Benefis Spectrum Medical entered into a contractual arrangement where Benefis Spectrum Medical managed their Montana Big Sky Home and Community-Based Waiver Program. (Senior and Long Term Care Division)

2003: Partnership with the Senior and Long-Term Care Division on the Montana CHOICE Grant. Benefis Spectrum Medical developed a training center for attendants with a replicable curriculum to enhance training, recruitment and retention of this hard to find work force. The training center still exists today. (Senior and Long Term Care Division)

2004: Benefis Spectrum Medical had a client who needed daily nursing for medication reminders so developed a pilot project utilizing an innovative medication dispensing system which increased the consumer's independence and reduced costs to Medicaid. (Senior and Long Term Care Division)

2006: Benefis Spectrum Medical participated in a pilot project called the Big Sky Bonanza, which is a Medicaid-funded long-term care program that offers advanced consumer direction, where the consumer is in charge of directing services and managing a monthly budget that is designed to meet their long-term care needs and goals. This program recently went statewide. (Senior and Long Term Care Division)

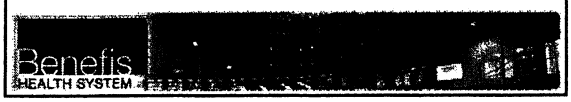
2007: Benefis Spectrum Medical piloted a project called the SDMI Waiver. This program is intended to service consumers with a severe and disabling mental illness in their homes as opposed to institutional care. The program has grown and recently expanded to other service areas. (Addictive and Mental Disorders Division)

2008: Benefis Spectrum Medical was asked to test and train on the new QAMS data base. This system tracks serious occurrences with consumers that all providers can access and allows the State to gather statistical data. (Senior and Long Term Care Division)

2009: The Human Resource Development Council in Bozeman discontinued their relationship with the State with the Montana Big Sky Home and Community-Based Waiver Program. The State allowed Benefis Spectrum Medical to continue to run the program under our current agreement for the waiver program in Butte. (Senior and Long-Term Care Division)

2011: Opportunity – Contracts have expired for the Montana Big Sky Home and Community Based-Waiver Program and teams are responding to the Request for Proposal. Benefis Spectrum Medical will be applying for those areas that currently are struggling in an effort to assist the department with ensuring quality performance.

Thank you and we will await word back from the Committee.



Medicaid and Mental Health

Adults: primarily eligible via disability: must meet criteria of Severe and Disabling Mental Illness for mental health services

Children: eligible under many categories:
Child Welfare (foster care, adoption, out of home placement)
Disability
Poverty

For most Medicaid reimbursed mental health services, children must meet criteria of Seriously Emotionally Disturbed.

Medicaid children:

- 27% of Montana children are enrolled in Medicaid
- It costs Montana just $3,162 per year, on average, for each Medicaid child compared to the average cost per adult Medicaid enrollee of $9,552.
- Children make up 55.5% of Montana's Medicaid population, but account for only 29.4% of the state's Medicaid spending.
- Half of all Medicaid enrollees across the country are children and 61% live in households where at least one parent works.
- 7.7% of Medicaid eligible children received mental health services in FY 2010 (number of SED unknown)

What is working:
Community based mental health services particularly those provided by non-profit community mental health centers:

Reduced high-end services (Warm Springs, Residential Treatment)
Increase stability, independence and employment opportunities for SDMI adults
Divert kids from foster care, youth court services, out of home care.
Keep kids in their families, schools and community.
Early intervention.
Community driven solutions
Provides good paying jobs for Montanans
Cost savings to County governments

Pitfalls/problems:
Provider rates:

Example 1996- $70 per hour for counseling, current rate- $57.26 soon to be reduced 2%
Compare to VA @ $98.04, New West @ $80.77, BC/BS @ $70.78, HMK @ $72.50
Targeted case management: $54.00 per hour in 1996, current rate $51.44 soon to be reduced by 2%.

% reductions over the years- never were at cost, never catch up

Silos for children: DD, DOC, CFSD, CD, MH, OPI
Kids cross these divisions
Each division dumps kids off to the other: "your kid, not ours"
No coordination nor blending of funding across the divisions
Different eligibility, services, rates

Magellan managing kids' mental health care:

Contract: cost and annual increases *hand-out
Getting our money's worth? Case management data *hand-out
Who is minding the store? DPHHS or legislators? Like last time w/ Magellan
Senator Caferro's motion:
An example of: cost neutrality and fairness in rates (cost study example)
putting the money where it is effective
supporting Montana jobs
putting treatment decision-making back at the local level (not out of state Doctors)
Then what happened? CMHB decided to eliminate UR for case management because "it wasn't resulting in significant cost savings". No rate increase, though.

Future Directions:

Managed Care: managing money, NOT care: profits come at the expense of people
Profit goes back to the company instead of back to the state
Lessons learned from previous Magellan debacle
Oversite is critical: can DPHHS to do it effectively?
Provider and community involvement in designing solutions (not like current SOC waiver program)
Privatization isn't bad-it depends on who it is "privatized" to
Trust between providers and decision makers: Most providers do understand the need for efficiency and effectiveness. MRM is a good example for WMMHC

Last thought: Health care is an industry. Medicaid is just one part of the health care system of service provision. Why is it viewed differently than federal roads money and job creation? The non-profit sector is a huge employment base. WMMHC employs 700 people- 110 of them in Flathead County. MCI numbers?